



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

November 16, 2001

**S. 1593
Water Infrastructure Security and Research Development Act**

*As ordered reported by the Senate Committee on Environment
and Public Works on November 8, 2001*

SUMMARY

S. 1593 would authorize the appropriation of \$72 million over the 2002-2007 period for the Environmental Protection Agency (EPA) to provide new grants to research institutions to carry out projects aimed at improving the protection and security of water supply systems, including protection from biological and chemical contamination.

In addition, enacting S. 1593 would authorize EPA to use \$40 million over the 2002-2003 period from funds previously appropriated (but not obligated) to provide assistance to small water supply systems to comply with new regulations on arsenic in drinking water. That additional spending is considered direct spending, so pay-as-you-go procedures would apply to the bill.

S. 1593 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, and tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1593 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

| | By Fiscal Year, in Millions of Dollars | | | | |
|---|--|------|------|------|------|
| | 2002 | 2003 | 2004 | 2005 | 2006 |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION | | | | | |
| Authorization Level ^a | 12 | 12 | 12 | 12 | 12 |
| Estimated Outlays | 5 | 10 | 12 | 12 | 12 |
| CHANGES IN DIRECT SPENDING | | | | | |
| Estimated Budget Authority | 0 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 8 | 17 | 12 | 3 | 0 |

a. S. 1593 also would authorize the appropriation of \$12 million for fiscal year 2007.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted by the end of calendar year 2001, that the full amounts authorized will be appropriated each fiscal year, and that outlays will occur at rates similar to past funding for EPA's Science and Technology programs. CBO estimates that implementing S. 1593 would increase spending subject to appropriation by \$51 million over the 2002-2006 period, with an additional \$21 million to be spent after 2006.

In addition, section 5 would authorize EPA to use \$40 million of funds previously appropriated (but not obligated) from its Safe Drinking Water State Revolving Fund program (or other programs) to provide grants to small water supply systems to comply with arsenic contamination requirements. Because this provision would allow EPA to spend funds that we estimate would not otherwise be used, we estimate this provision would increase direct spending by \$40 million over the next five years.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted.

| | By Fiscal Year, in Millions of Dollars | | | | | | | | | |
|---------------------|--|------|------|------|------|------|------|------|------|----------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Changes in outlays | 8 | 17 | 12 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Changes in receipts | | | | | | | | | | Not applicable |

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1593 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, and tribal governments. The bill would benefit state and local governments by establishing a grant program for research institutions, including public universities, to improve the protection and security of public water supply systems. In addition, S. 1593 would authorize \$40 million for small water supply systems to comply with requirements relating to arsenic in drinking water. Any costs associated with the grant programs would be considered a condition of aid.

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